

**Amendments to the Specification:**

Please delete the paragraph on page 5, lines 1-6, and replace it with the following paragraph:

Figures 1a – 1c illustrate four continuous cDNA sequences aligned to show homology. mkrml (SEQ ID NO: 1) is cDNA encoding Kremen 1 from mouse. hkrm1 (SEQ ID NO: 2) is cDNA encoding Kremen 1 from human. mkrm2 (SEQ ID NO: 3) is cDNA encoding Kremen 2 from mouse. hkrm2 (SEQ ID NO: 4) is cDNA encoding Kremen 2 from human. hkrm1 and hkrm2 are deduced from the human genome sequence in public databases. Identical nucleotides are highlighted in black. All nucleic acid sequences begin with the translation initiator ATG codon.

Please delete the paragraph on page 5, lines 7-10, and replace it with the following paragraph:

Figure 2 illustrates alignment of proteins encoded by mkrml, hkrm1, mkrm2, and hkrm2. mKremen 1, which is encoded by mkrml, has amino acid sequence SEQ ID NO: 5. hKremen 1, which is encoded by hkrm1 has amino acid sequence SEQ ID NO: 6. mKremen 2, which is encoded by mkrm2, has amino acid sequence SEQ ID NO: 7. And hKremen 2, which is encoded by hkrm2, has amino acid sequence SEQ ID NO: 8. Identical amino acids are highlighted in black, similar amino acids are in grey.

Please delete the paragraph on page 28, line 33, to page 29, line 11, and replace it with the following paragraph:

**Example 3**

**Determination of the expression profile of kremen 1 and 2 in various tissues of mice**

The expression of *kremen 1 and 2* in various tissues of mice was studied by RT-PCR. RNA isolation from adult mouse organs and RT-PCR assays were carried out in the linear phase of amplification and with histone 4 primers as described (Glinka et al., Nature 389 (1997), 517-519)

Other primers were: *mkrm1* (f, GTGCTTCACAGCCAACGGTGCA (**SEQ ID NO: 9**); r, ACGTAGCACCAAGGGCTCACGT (**SEQ ID NO: 10**)); *mkrm2* (f, AGGGAAACTGGTCGGCTC (**SEQ ID NO: 11**); r, AAGGCACGGAGTAGGTTGC (**SEQ ID NO: 12**)). Cycle no. were *H4*: 26 cycles; *mkrm1*: 35 cycles; *mkrm2*: 32 cycles. The results show that both *kremens* are expressed in all mouse tissues tested, but with varying expression level (Figure 5). Similar results were obtained using *Xenopus* embryos.